

## Minnesota 3M PFC Settlement

### Notes for Combined Working Group Meeting

Wednesday, January 18, 2023

9 a.m. – 12 p.m.

Hybrid WebEx and in-person meeting

### Combined working group members in attendance

- Alex Roth
- Brian Bachmeier
- Chris Volkers
- David Filipiak
- Jack Griffin
- Jamie Wallerstedt
- Jeff Dionisopoulos
- Jeff Holtz
- Jess Richards
- Jessica Stolle
- John Herdegen
- Karie Blomquist
- Kevin Chapdelaine
- Kirk Koudelka
- Kristina Handt
- Laurie Elliott
- Lucas Martin
- Marian Appelt
- Mark Jenkins
- Mary Hurliman
- Melissa Kuskie
- Michael Madigan
- Monica Stiglich
- Ron Moore
- Ryan Burfeind
- Stephanie Souter
- Steven Johnson

### Presenters

- Kirk Koudelka, Minnesota Pollution Control Agency (MPCA)
- Jess Richards, Minnesota Department of Natural Resources (DNR)
- Debra Fleischer, Abt Associates
- Jill Townley, DNR
- Karen Carney, Abt Associates
- Heather Hosterman, Abt Associates

### Welcome and updates

Debbie Fleischer (Abt Associates) welcomed the work group to the meeting and reviewed the agenda. Kirk Koudelka (MPCA)

also welcomed the group. He then provided updates to the work group including:

- The Co-Trustees are closely watching for updates from the U.S. Environmental Protection Agency (EPA) about the release of their draft maximum contaminant level (MCLs) for PFOS and PFOA. EPA has extended their timeline and now anticipates releasing draft MCLs in 2023, and final MCLs in early 2024.
- The Co-Trustees are also waiting for updates from Minnesota Department of Health (MDH) to release revised Health-Based Values (HBVs) for PFOS and PFOA, which they expect will be released in the first part of 2023. MDH is reviewing data from other states and EPA before releasing the draft HBVs.

- Priority 1 work continues to move forward. There have been a number of grants executed and/or extended for work in Lake Elmo and Cottage Grove.
- All communities were contacted about performing community interviews and videos. This is part of an effort to share the progress of the Conceptual Plan implementation with the public.
- MDH and MPCA continue to test wells in the East Metro for PFAS contamination. MDH is utilizing their updated lab method (EPA 533) that has lower detection limits.
- Liz Kaufenberg is replacing Gary Krueger as supervisor of the East Metro Unit at the MPCA. She has been the lead coordinator for the Settlement for the past 4 ½ years.
- Hannah Albertus-Benham with WSP (formerly Wood) will be on maternity leave starting in February – her temporary replacement is Narayanan Raghupathi, who has already met some of the community members.

## Priority 2 work group meeting updates

Jill Townley (DNR) provided a brief introduction to recent Priority 2 work. Karen Carney (Abt Associates) provided additional detail on the Priority 2 purpose, structure, and timeline. Priority 2 is intended to address projects that restore and enhance natural resources.

Priority 2 projects will be solicited via a competitive public request for proposals (RFP) process. The State will select the projects that best meet Priority 2 goals. Karen clarified that projects would only be approved through the official RFP process and not through any work group activities in an effort to mitigate conflict of interest.

Since the last work group meeting, DNR has been considering how to best handle conflict of interest so that members of the work group do not have an advantage over those not on the work group. The changes that were made include:

- Work group members will be able to develop/submit Priority 2 proposals
- Subgroup participants will be able to develop/submit Priority 2 proposals.

Karen then reviewed the structure for Priority 2. Like Priority 1, Priority 2 will have two work groups (Government/3M and Resident) and a subgroup (Ecosystem Services and Recreation Subgroup). Priority 2 efforts will be led by DNR instead of MPCA, who led Priority 1. For the Government/3M work group, communities will select their representatives from invited communities. Communities will be invited if they have experienced natural resources injuries or recreational service losses from PFAS released by 3M and are located in the East Metropolitan Area and downstream locations of the Mississippi and St. Croix Rivers. Representatives can opt out if they do not wish to participate in the planning process. For the Resident work group, residents from Washington, Ramsey, and Dakota counties can apply via an online form. Current Priority 1 Citizen/Business work group members can continue on the Priority 2 Resident work group if they desire. The goal of the work group is to provide feedback on Priority 2 goals, evaluation criteria, and the RFP process, however, the work groups will not discuss specific project ideas or proposals. Work groups can expect to meet in a hybrid setting approximately every other month.

When established, the work groups may want to revise the project evaluation criteria and goals. The original goals were to:

- Restore, protect, and enhance aquatic resources, wildlife, and habitats
- Reduce fish tissue contamination and remove PFAS-based fish consumption advisories
- Improve and enhance outdoor recreational opportunities.

The Priority 2 subgroup will be made up of technical, recreational, natural resource, and environmental staff from Priority 2 work group communities and counties, watershed districts, and resource- and recreation-focused stakeholders. The purpose of the subgroup is to provide information about local natural resource and recreation planning efforts. This will help ensure that Priority 2 projects are synergistic with ongoing and upcoming projects (e.g., by providing documentation of local planning goals). The subgroup will not have any formal meetings, but DNR will meet one-on-one with some organizations.

Karen also discussed the RFP evaluation process. The Co-Trustees will convene an internal committee to evaluate proposals. The Co-Trustees will review the recommendations of the committee before ultimately making the final decision on who will receive funding.

Lastly, Karen reviewed the next steps for Priority 2. January and February will focus on recruiting members for the work groups and subgroup. Priority 2 work group meetings will begin in March/April while information is being gathered from the Subgroup. The RFP process will open between September and December.

All Priority 2 questions can be sent to: [3MPriority2@state.mn.us](mailto:3MPriority2@state.mn.us).

## Feedback

One work group member asked if Priority 1 Citizen/Business members will be able to participate on Priority 2 activities. Karen said yes and explained that Co-Trustees will send out an email to the current participants asking about their continued participation.

Another work group member asked if Co-Trustees were looking for a geographic distribution or different skills for the Priority 2 Resident work group. Karen explained that just like Priority 1, the Co-Trustees are looking for people with a strong interest in the topic group or are motivated to participate as well as geographic distribution as a consideration.

One work group member asked if the Priority 2 work groups would be able to weigh in on funding amounts for different Priority 2 projects. They asked if any allocations had been set aside for Priority 2 project categories. Karen explained that is something that has not yet been discussed. She noted that some projects have multiple benefits and could make categorizing them difficult. If the Co-trustees were to decide on allocating funds to different project outcomes, the work groups would be asked for feedback on a proposal.

Kirk asked the work group members if they felt conflict of interest had been sufficiently addressed. One work group member said that conflict of interest has not been eliminated, but the Co-Trustees have done as well as they can to mitigate it and that it should continue to be a priority during the RFP process.

Another work group member asked if there was additional information on a fish study recently released in the St. Paul newspaper. Karen explained that the Co-Trustees are gathering all publicly available data that speaks to fish contamination levels and what it means for fish consumption advisories. They know this is an important exposure pathway for East Metro residents and it has implications for fishing projects that may be proposed under Priority 2. The number of fish samples in the East Metro is very small, so there is not a lot of available

information. Jess Richards (DNR) explained that DNR is trying to increase fish sampling on a statewide basis through the Clean Water Legacy Fund.

The work group member also asked if there was any ongoing work to test the actual levels of PFAS in people. They said biomonitoring had been available in the past. Lucas Martin (MDH) explained that he did not think there had been any testing since 2014, but MDH's Health Risk Assessment Unit would have additional information.

## Public comments and questions

There were no questions or comments from the public at this time.

## Priority 1 Annual Review

Heather Hosterman (Abt Associates) provided an overview of the Priority 1 annual review process. The Settlement language states that the Co-Trustees will update the work groups and the public on the implementation of the Conceptual Plan on an annual basis. The annual review document created by the Co-Trustees includes five sections and especially focuses on project implementation from August 2021 to June 30, 2022. The sections of the annual review include the following information:

- Section 2 – Implementation Progress
  - There has been approximately \$13.9 million spent in Settlement funding across the five funding allocations (capital infrastructure, O&M, drinking water protection, contingency, and State administration). 20 grant agreements have been executed.
  - Capital grant funding awarded was slightly lower than what was estimated in the Conceptual Plan.
- Section 3 – Impacts from New Information
  - New information has resulted in additional implementation costs. While the Conceptual Plan was built to be resilient, the Co-Trustees may need to use contingency funds or reallocate funds to cover additional implementation costs in the future.
  - MDH released new health-based values for PFAS in 2022. MDH plans to release updated HBVs for PFOA/PFOS in 2023 and EPA plans to release draft MCLs for PFOA/PFOS in 2023 also. These values are expected to be more stringent than values included in the Conceptual Plan, which will impact costs. However, the design costs for providing PFAS treatment to existing municipal wells, not currently included in the Conceptual Plan to receive treatment, are covered by the Settlement for Cottage Grove and Woodbury as they are currently in the design process.
  - Inflation also led to cost increases. The Conceptual Plan estimated 4% annual inflation; current inflation is at about 7%.
  - Another additional cost was accounting for temporary drinking water treatment systems that are currently operating in the East Metro. 3M provided up to \$40 million to fund temporary treatment systems for up to five years. This provision expires in February 2023 and Settlement funds will need to cover the O&M of these systems until long-term systems are in place.
- Section 4 – Fiscal Year 2023 Projects

- In November 2022, Co-Trustees sent a short questionnaire to Priority 1 communities to help determine community plans to use Settlement funds in Fiscal Year 2023. This questionnaire will be sent annually.
- Section 5 – Contingency Funding and Fund Reallocation
  - The Conceptual Plan's contingency fund is reserved to fund different areas of future uncertainty and does not require fund reallocation. The fund reallocation process is to evaluate progress on the implementation of the Conceptual Plan, compare actual costs to plan estimates, and decide how funds might need to be moved. This process will involve work group and public feedback.
  - The Co-Trustees determined that fund reallocation is not necessary in this annual review period because costs are still within the estimates of the Conceptual Plan and some elements of implementation remain unclear, such as new MCLs and HBVs.

## Feedback

One work group member asked what O&M money had been spent on St. Paul Regional Water. Kirk clarified that it was not St. Paul Regional Water, but it was St. Paul Park. The Co-Trustees have not spent any money on St. Paul Regional Water to date. The same work group asked how much had been spent of the \$40 million for temporary treatment systems. According to the most recent Legislative Report (August 2022), approximately \$27 million was spent.

Another work group member stated that it would be helpful to see spending over the course of the entire Settlement to see long-term trends, not just for the annual review period being covered. Kirk explained that one thing that will be helpful to track moving forward is the interest being incurred on the Settlement. He wants to make sure that any interest spending is clear to the public. Jamie Wallerstedt (MPCA) added that overall spending to date on the Conceptual Plan is included in our Legislative Reports.

One work group member asked what 3M is still accountable for outside of the \$40 million for temporary treatment systems. Kirk explained that the Consent Order is still in place and focuses on the three PFAS disposal sites. 3M is covering remediation at these sites using the Consent Order. Everything else is through the Settlement funds. When the Settlement runs out of money, the Consent Order picks back up to cover operation and maintenance or any new capital costs that arise for public and private wells with a health advisory.

Another work group member asked about the best option for long-term treatment costs between capital and O&M (e.g., will it be more cost effective to install point of entry treatment systems (POETSs) or connect to a municipal system for new health advisories). The implementation of POETSs and municipal system connections as identified in the Conceptual Plan are already underway so no additional analysis has been done. Kirk mentioned that there is some uncertainty with how low the EPA's new MCLs will be. The Co-Trustees will analyze the most cost-effective way to treat those wells with new advisories.

One work group member asked if the Consent Order would fund O&M costs for private wells once the Settlement dollars are depleted. Kirk confirmed that both private and public wells with health advisories would be covered under the Consent Order.

## **Next steps**

Heather Hosterman (Abt Associates) reviewed next steps. It is expected that EPA and MDH will release values for PFOA and PFOS that are more stringent than current values. Co-Trustees would like to hold a work group meeting following the release of the draft MCL rule. This will impact when the next work group meeting will take place, but Co-Trustees will inform work group members of the meeting date as soon as possible.

## **Public comments and questions**

One member of the public asked if PFAS levels were being tested in people and if so, are PFAS levels improving. This member of the public was asking because of health concerns that they and their family face. Kirk first indicated that it would be best for this member of the person contact MDH's Health Risk Assessment Unit directly. He then explained that MDH has conducted biomonitoring in the past that showed levels of PFAS in blood of East Metro residents that were higher than the national average; but, once PFAS treatment was installed in public and private water supply, the PFAS values had decreased. However, he is not aware of any recent monitoring performed.